



January 28, 2011

To: Executive Board

Subject: **2011 Legislative Summary**

Recommendation

Receive and file the January 2011 Legislative Summary. There are no recommended positions on bills this month.

Analysis

On January 3, 2011, Jerry Brown was sworn in as California's 39th Governor. This is the second time around for Mr. Brown and California is a much different place than what it was in 1975 when he was sworn in as the youngest California Governor at 36. He now has the distinction of being the most senior Governor as well.

Governor Brown released his 2011-2012 Budget on January 10. The state faces a deficit estimated at \$25.4 billion. The Governor proposes to balance the budget with \$12.5 billion in funding reductions including the state university systems, prisons, Medi-Cal, Calworks, Californian's with Developmental Disabilities and In-Home Supportive Services. He also asks for a June special election to approve a five-year extension of several tax rates including a ¼ cent surcharge on state income tax, ½ percent increase in the vehicle license fee and a one cent increase in state sales tax. The entire package would produce a \$1 billion reserve.

The good news for transit is that the Budget proposes \$329.6 million for the State Transit Assistance (STA) program. The proposal, through various solutions, provides funding for transit while addressing both Proposition's 22 and 26, and still provides some General Fund relief. The California Transit Association (CTA) met with the new Director of Finance to discuss budget solutions for transit and it appears Governor Brown's proposal aligns with the CTA's goals and recently adopted policy. We will continue to work with the CTA, Legislature and Administration as this process moves forward to achieve the highest level of funding possible for Foothill Transit and transit needs throughout California.

On January 5, 2011, the swearing-in of the 112th Congress took place and for the first time in history, the President is a Democrat, the Senate is run by the Democrats (53 to 47) and the House of Representatives is run by the Republicans (242 to 193). It should make for a very interesting year on Capitol Hill.

One of the final acts of the 111th Congress was to approve the Continuing Appropriations and Surface Transportation Extensions Act of 2011, a continuing resolution (CR) to fund federal programs, including programs administered by the

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Department of Transportation (DOT) and the Transportation Security Administration (TSA), at Fiscal Year (FY) 2010 levels through March 4, 2011. The bill also includes an extension of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) through March 4, 2011. The previous extension of SAFETEA-LU was set to expire on December 31, 2010. This is the sixth extension of SAFETEA-LU since the original authorization expired on September 30, 2009. Incoming Transportation and Infrastructure Chairman John Mica (R-FL) has indicated that the drafting of a new, long term authorization bill will be a top priority for the 112th Congress and hopes to have a bill introduced by June of this year..

This legislation replaced earlier attempts to fund federal programs through the end of FY 2011. This latest bill, combined with earlier CRs, now makes five months of FY 2011 funding available to transit programs, or approximately 42.5 percent of the full FY 2010 amount. Traditionally, this level has been sufficient for the Federal Transit Administration (FTA) to release a partial-year apportionment notice to make a portion of the formula funds for FY 2011 available to transit agencies. It is not clear, whether the FTA will make funds available for discretionary programs, such as Bus and Bus Facilities or High Speed Rail grants until the new Congress completes a full appropriations bill for FY 2011 early this year.

The short-term CR will give the new 112th Congress the opportunity to complete the Appropriations process for FY 2011. Many Congressional leaders, particularly within the new Republican majority in the House, have indicated they will attempt to reduce the overall level of federal spending for FY 2011 to help reduce the federal budget deficit.

Financial Impact

Fortunately, recent actions in both Sacramento and Washington, D.C. have had no negative impact on Foothill Transit's budget. We will work hard to, not only maintain the status quo, but increase the level of funding available to us.

Sincerely,



David Reyno
Director of Government Relations



Doran J. Barnes
Executive Director